

## Message Text

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ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 INR-05 CIAE-00 NSAE-00  
EB-03 OMB-01 TRSE-00 PM-03 PA-01 /041 W  
-----124315 061711Z /43  
P R 061625Z SEP 78  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC PRIORITY 5605  
SECDEF WASHDC  
INFO USMISSION USNATO

C O N F I D E N T I A L ROME 16486

LIMDIS

E.O. 11652: GDS  
TAGS: MILI, NATO, IT  
SUBJECT: POSSIBLE CUTS IN ITALIAN MOD BUDGET

1. AMBASSADOR MET BRIEFLY ON SEPTEMBER 4 WITH MINISTER OF  
DEFENSE RUFFINI, AT LATTER'S INITIATIVE. RUFFINI IS LEAVING ROME,  
SEPTEMBER 8, FOR A VISIT TO THE U.S. AS A GUEST OF SECDEF  
BROWN. RUFFINI WISHED TO ENLIST AMBASSADOR'S HELP IN  
EMPHASIZING TO PRIME MINISTER ANDREOTTI THE LEGITIMATE  
INTEREST OF THE U.S. AND THE ALLIANCE IN THE OUTCOME OF THE  
CURRENT REORDERING OF ITALIAN NATIONAL BUDGET PRIORITIES.  
THE STATE BUDGET DEFICIT MUST BE REDUCED AND RUFFINI FEARED  
THAT "FROM THE DEMAGOGIC POINT OF VIEW) THE MOD BUDGET WAS  
THE MOST ATTRACTIVE PLACE TO MAKE THE CUTS. BUT, HE SAID,  
A LARGE PART OF THE MOD BUDGET (PERSONNEL COSTS, MAINTENANCE,  
ETC.) IS "UNTOUCHABLE." ANY REDUCTION IN THE MOD'S BUDGET  
WOULD PERFORCE AFFECT EQUIPMENT ACQUISITION, TRAINING, ETC.  
"THAT WOULD BE INTOLERABLE." ITALY HAS COMMITMENTS TO  
THE ALLIANCE SUCH AS THE 3 PERCENT DEFENSE EXPENDITURE  
INCREASE, THE LTDP, AND AWACS THAT COULD NOT BE MET  
UNDER THOSE CONDITIONS. IN RUFFINI'S OPINION IT WOULD  
BE PERFECTLY APPROPRIATE FOR THE UNITED STATES AS A  
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MEMBER OF THE ALLIANCE TO EXPRESS ITS CONCERN OVER THAT  
PROSPECT. HE HAD SPOKENT TO TREASURY MINISTER PANDOLFI  
WHO UNDERSTOOD THE PROBLEM AND SYMPATHIZED WITH THE MOD  
POSITION. ANDREOTTI IS THE KEY, HOWEVER. THE BUDGET  
DISCUSSION WILL BE TAKING PLACE BETWEEN SEPTEMBER 20 AND  
MID-OCTOBER. DURING THAT TIME, IN RUFFINI'S VIEW, AN  
EXPRESSION OF INTEREST BY THE UNITED STATES TO THE PRIME

MINISTER WOULD BE HIGHLY USEFUL.

2. WE FULLY SHARE RUFFINI'S CONCERN AND WE WILL MONITOR DEVELOPMENTS CAREFULLY. LATER IN SEPTEMBER, AFTER WE HAVE HOPEFULLY LEARNED MORE ABOUT THE GOVERNMENT'S BUDGETARY PLANS, WE WILL REVIEW THE THEN CURRENT STATE OF PLAY AND MAKE A RECOMMENDATION, IN LIGHT OF ALL THE CIRCUMSTANCES, AS TO WHETHER AN INTERVENTION WITH ANDREOTTI ON THIS SUBJECT WOULD BE DESIRABLE. WASHINGTON MAY ALSO WANT TO CONSIDER WHETHER IT WOULD BE USEFUL FOR USNATO TO RAISE THIS MATTER IN BRUSSELS.HOLMES

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY BUDGET, AMENDMENTS  
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**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
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**Disposition Reason:**  
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**Subject:** POSSIBLE CUTS IN ITALIAN MOD BUDGET  
**TAGS:** MILI, IT, NATO  
**To:** STATE DOD  
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